



# INDIAN HEALTH SERVICE

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## BUSINESS PLAN 101

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# Business Plan – Why?

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- Organizational Identity
- Opportunity to Determine Future
- Organizational Goals & Objectives
- Plan for Success
- Customer Identification
- Market / Competitive Analysis
- Financial Structure & Needs
- Measurement of Organizational Performance



# Business Plan – Basic Fundamentals

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- Written Plan With Vision, Mission, Goals and Objectives
- Development From Within Organization
- Leadership
- Skills To Succeed
- Culture (Beliefs & Attitude) That Supports The Plan



# Business Plan Structure

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- Executive Summary
- Business Overview
- Business Description
- Business Environment
- Business Strategy
- Financial Review
- Action Plan



# Executive Summary

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- Summary of important points
- 1 to 2 pages
- Written after Business Plan Completed



# Business Overview

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- Mission Statement
- Vision Statement
- Values Statement
- Goals and Objectives
  - Written upon completion of Business Description, Business Environment, and Business Strategy.
  - Consistent with Mission, Vision, & Values



# Mission Statement

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- Develop by group representing all phases of business.
- States purpose of business to inside & outside organization.
- Describes Business Activities including markets, geographic areas, products and services.
- Emphasizes differentiating features of business.
- Includes major accomplishments to be achieved.
- Clear, concise, informative (50 words or less)



# Vision Statement

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- Describes where business intends to go and what it wants to become.
- 1 to 2 sentences or a phrase.
- Reality based.





# Values Statement

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- Provides set of beliefs and principles to guide business activities.
- Can assist in responding quickly and decisively to unexpected events.
- Everybody must embrace values.



# Goals and Objectives

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- Goals describe results that business is committed to achieving.
- Objectives describe the detail of what must be done and when to reach the goals.
- Consistent with Mission, Vision, and Values.



# Business Description

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- Business Definition
- SWOT Analysis
- Critical Success Factors (Target 4)



# SWOT Analysis

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- Business Self Assessment
  - Strengths
  - Weaknesses
  - Opportunities
  - Threats



# SWOT Analysis Guide

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- Research and Development
- Operations
- Sales / Marketing
- Distribution / Delivery
- Customer Service
- Management
- Organization
- Financial Structure



# Business Environment

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- Industry Definition / Analysis
- Market Definition / Analysis
- Customer Identification
- Competitor Definition / Analysis
  - Competitor SWOT
- Critical Success Factors



# Business Strategy

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- Strategic Criteria
  - Low Cost
  - Differentiation
  - Focus
- Change Anticipation / Management



# Financial Review

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- Current Structure
  - Balance Sheet
  - Income Statement
  - Cash Flow
- Proforma
  - Balance Sheet
  - Facilities Construction Budget
  - Operating Budget





# Action Plan

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- Live the Plan
- Supportive organizational structure
- Policies, procedures, and systems
- Leadership encouragement
- Business skills development
- Business culture development
- Process of continual refinement



# Business Plan Success Factors

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- Concise executive summary
- Mission Statement that describes and inspires
- Measurable goals and objectives
- Complete financial analysis
- Ambitious and doable action plan
- Clear and organized written document
- Ongoing review and revision
- Commitment to the Plan



# Business Planning Pitfalls

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- Failing to plan
- Leaving out values and vision
- Misreading Customers
- Underestimating the competition
- Ignoring strengths
- Overlooking weaknesses
- Keeping the plan a secret
- Failing to organize around the plan



# Sample Modified Business Plan Outline

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- Vision / Mission / Values – THE BEST
- Operational Description
- Market Conditions / Demographics
- SWOT Analysis
- Service Goals
- Operational Initiatives
  - Service Growth / Enhancement – Volume Increase
  - Revenue Increase
  - Cost / Productivity
  - Mission
- Financial Proforma / Operational Budget
- Organizational Structure / Culture
- Capital Needs